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C O N F I D E N T I A L TAIPEI 000818

SIPDIS

STATE FOR NP/CBM, INR/EC, NKWG
STATE PASS AIT/W, NSC FOR WILL TOBEY, VICTOR CHA, AND DAVID
SHEDD

E.O. 12958: DECL: 02/24/2025

TAGS: [ETTC](#) [PARM](#) [PREL](#) [TW](#)

SUBJECT: MTAG: TAIWAN ACTS ON EXPORT CONTROL INTELLIGENCE

REF: A. TAIPEI 683

[B](#). 04 STATE 243963

Classified By: AIT DIRECTOR DOUGLAS H. PAAL, REASONS 1.4 (b,d)

[1](#)1. (C) Summary: Taiwan media have reported that the Taoyuan District Prosecutors' Office raided the residence and company buildings of Tony Hsieh (Jin-yi) on February 24, 2005 (reftels). A Taiwan Justice Ministry contact called AIT on the evening of February 24 to alert us to the late-breaking media reports. Our contact promised a complete report through "intelligence channels" after the results of the raid become clearer. End Summary.

Investigation of Tony Hsieh

[1](#)2. (C) Taiwan's evening media on February 24 carried an initial report that the Taoyuan District Prosecutors' Office, based on information from Taiwan intelligence agencies, searched the residence and company buildings of Tony Hsieh for evidence of Hsieh's attempts to export key Scud missile components to Libya. Further media reports on February 25 added that when Prosecutors questioned Hsieh, he claimed he did not know the items exported to Libya were controlled military items. The Prosecutor's Office has requested a court order to detain Hsieh for further questioning. While searching his residence on the evening of February 24, investigators found that Hsieh owned two small companies that in turn subcontracted to smaller companies to produce components for missile impulse pumps and turbine masks. These are the components that were intercepted in London in 1999 in an air cargo shipment bound for Libya from one of Hsieh's companies. In April 2000 Tony Hsieh was arrested in Switzerland while on his way from Hong Kong to Libya. Additional missile components were found in his baggage.

[1](#)3. (C) According to the media reports, in its four-year investigation of Tony Hsieh, Taiwan intelligence agencies found no evidence he was supported by either China or North Korea. Media reports also quoted Taiwan intelligence sources that Hsieh once invited a missile expert from the Chung Shan Institute of Science and Technology to his house to discuss missile motor component production. However, when Hsieh showed the expert the blueprint for the component, the expert declined the request for information.

[1](#)4. (C) Comment: AIT views the raids and the phone call as positive attempts by Taiwan authorities to respond to U.S. export control concerns. The phone call from the Taiwan Justice Ministry implied the raid was in response to a fax that AIT/T/ECON sent on February 4 asking for information about Hsieh. It will be interesting to see what the promised complete report says the investigators were doing for the past four years.
PAAL